

APPENDIX A

Glossary of Real Estate Terms

The following are terms typically encountered in real estate acquisition.

accretion:	The buildup of land from wind, water or other natural forces .
acknowledgment:	The confirmation by a party executing a legal document that this is his signature and voluntary act. This confirmation is made before a notary public who signs a statement (also called an acknowledgment) certifying the acknowledgement.
appraisal:	An estimate of value based upon a factual analysis of a property by a qualified professional appraiser.
Appraisal Foundation:	The not-for-profit foundation incorporated in 1987 to establish and improve appraisal standards by defining, issuing and promoting uniform standards.
appurtenance:	Anything attached to or used with the land that passes to a new owner.
certified general appraiser	An individual who meets the requirements for licensure that relate to the appraisal of all types of real estate and real property and is licensed as a certified general real estate appraiser.
chattel:	Personal property.
chain of title:	The series of ownership of a property as recorded in the land records.
cloud on title:	An outstanding claim or encumbrance which, if valid, adversely affects the marketability of title.
contract:	(a.k.a. purchase contract, sales contract, or real estate contract). A legal instrument that binds the seller to sell and buyer to buy real estate. The buyer gains a limited interest in the real estate known as an “equitable interest” during the contract period.
deed:	The legal instrument by which title to real property is transferred.
deed, general warranty:	Warrants title against all claims, past and present, through the time the grantor conveys the property.
deed, special warranty:	Warrants only that the grantor has done nothing to impair title but makes no warranty as to previous ownership.
deed, quitclaim:	A deed releasing whatever interest the grantor may hold in real property but making no warranty and often asserting no interest.
delivery:	Final, irrevocable, unconditional and absolute transfer. In real estate, the grantor must deliver a deed to the grantee. A signed but undelivered deed does not transfer title.
devise:	Conveyance of real property through a person's last will and testament, to take effect after the devisor's death.
due diligence:	The common term for the actions required of purchasers of real property to ensure that property being acquired is not contaminated with hazardous wastes or materials. Due diligence also refers to the actions required to ensure that title to real property being acquired is marketable.
easement:	A right or privilege one party holds in the land of another. An easement may be created by grant, reservation, agreement, prescription or necessity.

easement, appurtenant:	An easement attached to and benefiting a particular property (the dominant estate) and burdening another property (the servient estate) over which the easement is granted. Compare with easement in gross.
easement, in gross:	An easement, personal to the holder, that does not benefit a particular parcel of land, so there are no servient and dominant estates created. Compare with appurtenant easement.
easement, utility:	An easement allowing public utilities to cross over and/or under the surface of real property.
eminent domain:	A government right to acquire private property for public use by condemnation and the payment of just compensation.
encroachment:	Any structure that extends, without permission, over a property line.
encumbrance:	Any right to, or interest in, real property held by someone other than the owner which will not prevent transfer of fee title (i.e. a claim, lien, charge or liability attached to title to the real property). However, the encumbrance is likely to travel with the title.
escrow:	Funds or documents held by a disinterested third party on behalf of other parties and subject to the other parties' instructions.
estate:	The degree, nature, and extent of interest held in real property.
estate, servient:	The property or parcel of land which is burdened by an easement that serves another property (the dominant estate).
estate, dominant:	The property or parcel of land which is served by an easement over another's lands (the servient estate).
fair market value:	The price at which real property would be sold between a willing buyer and willing seller, neither being under any compulsion to act and both having reasonable knowledge of the facts.
fee, fee simple:	From the French "fief", the term refers to the absolute ownership of real estate with all powers of disposition, subject only to the laws of escheat and the principles of descent.
highest and best use:	That use of real property that will bring the greatest economic return. The use must be physically and legally possible and financially feasible
improvements:	Man-made objects attached to real estate.
intestate:	Someone who has died without leaving a valid will. Compare to testate.
judgment:	The decision of a court of law. Money judgments, when recorded, become a lien on real property of the defendant.
legal description:	A geographical description of a parcel of land. In real property conveyances, the legal description typically includes a metes and bounds survey and a clause (sometimes known as a "being" clause) that states how title was derived by the party conveying the property. A legal description is adequate when a person of average intelligence can find the boundaries of the land from the description.
lien:	An encumbrance against real property used to secure a debt or the performance of some act. All liens are encumbrances but not all encumbrances are liens.
lis pendens:	A recorded notice that litigation is pending on a property.
marketable title:	Title without defects or claims that can be readily accepted by a purchaser without reasonable doubt.
mechanics lien:	A lien created by statute for the purpose of securing priority of payment for the price or value of work performed and materials furnished in construction or repair of improvements to land.

metes and bounds:	Land boundaries described by compass bearings and by the distances between points where the boundary lines change direction.
mineral rights:	The rights to any minerals, including oil and gas, under real property. Mineral rights can be separated and ownership transferred without transferring surface rights.
real estate:	Land and anything attached to it by man or nature.
quiet title action	A lawsuit to remove a claim or objection to title.
real estate rights:	The rights to possess, control, enjoy, and dispose of real property.
real property:	Any or all of the rights to real estate.
recording:	The act of entering a legal instrument into the public record. Recording constitutes notice to all persons of the rights or claims contained in the instrument.
remainder interest:	An interest in real estate that is postponed until the termination of some other interest (for example, a life estate).
restrictive covenants:	Private restrictions limiting the use of real property. Restrictive covenants are created by deed and may "run with the land," binding all subsequent purchasers of the land, or may be "personal" and be binding only between the original seller and buyer.
right of way:	The right to use a particular path for access across the land of another.
riparian:	Pertaining to the banks of a river, stream, waterway, etc.
settlement:	Also known as "closing", the actual transfer of title to real property. The event at which the seller delivers the executed deed and the purchaser delivers the purchase funds.
surface rights:	A right or easement granted with mineral rights, enabling the possessor of the mineral rights to drill or mine through the surface.
survey:	The process by which a parcel of land is measured and its boundaries and contents ascertained.
testate:	To die having made a valid will. Compare with intestate.
title:	Evidence of legal ownership of real property.
title abstract:	A written summary of all of the recorded documents that affect title to real property.
title binder:	A written commitment of a title insurance company to insure title to real property, subject to conditions and exclusions contained in the binder.
title insurance:	An insurance policy issued by a title insurance company. The company conducts a title search and insures against losses resulting from defects in title and against enforcement of liens existing at the time the policy is issued.
title report:	A written report on the current state of title, including easements, liens, covenants and defects.
title search:	A review of all recorded legal instruments affecting specific real property to determine the present condition of title.
undivided interest:	The legal interest of co-owners in property in which the individual interest of each individual is indistinguishable.
unrecorded instrument	Any legal document such as a mortgage or deed of trust that has not been properly placed in the public records.
valuable consideration:	A payment or promise of money or equivalent goods or services upon which a party can enforce a claim against the recipient party. Distinguished from good consideration, which may be love and affection or other intangible offering.

- vest:** To create an entitlement to a privilege or right.
- will:** A person's written intentions for the distribution of their property after the person's death. Also known as last will and testament. Conveyance of real property under a will is known as a devise.
- zoning:** A mechanism for local governments to regulate the use of privately owned land within their jurisdictional boundaries. Land held by the Commonwealth of Virginia is not subject to local zoning. The land, however, is subject to zoning before and after the Commonwealth's ownership.